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Responses Invited on New School Lunch Funding Proposals

On August 13, USDA announced proposed changes in National School Lunch Regulations intended to assist States in planning the financing of their programs for the fiscal year 1972 that began July 1, 1971.

Speaking at the Silver Anniversary Convention of the 50,000-member American School Food Service Association, Assistant Secretary Richard Lyng said the regulations "will permit the placement of school lunch funds where they will be needed as the school year progresses so that we can eliminate the funding uncertainty which has created problems for all of us near the end of recent school years."

Under the proposals, special section 32 funds would be used as needed to supplement funds appropriated under the National School Lunch Act so that each State could be assured minimum Statewide average reimbursement rates for all school lunches served. The plan would assure a minimum average of 5 cents per lunch from section 4--that section of the National School Lunch Act that provides reimbursement for all lunches--and a minimum average of 30 cents more per lunch from section 11--the section relating to special assistance for lunches served free or at reduced prices.

Under the present apportionment system which takes into consideration the average per capita income of the States, many States are able to pay rates higher than the minimum and will continue to do so.

This use of the available special section 32 funds will result in a more balanced allocation of funds among all the States on the basis of the actual number of lunches to be served in fiscal 1972, and will help eliminate funding uncertainties faced by States in recent years as they worked to bring more schools and more children into the program. Section 32 funds are a permanent annual appropriation to USDA, based upon a percentage of U.S. custom receipts.

Within available funds and maximum authorized rates of assistance, States will continue to be able to vary both section 4 and section 11 rates of reimbursement to individual schools based upon relative need. It will no longer be necessary, under the proposed regulations, to assign a section 4 reimbursement rate of 12 cents to a school in order to assign a section 11 rate of more than 30 cents.

Under the proposed regulations, a reserve of \$4.5 million of section 32 funds would continue to be made avail-

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able in 1972 for Puerto Rico, the Virgin Islands, Guam, and American Samoa for section 11 purposes.

The revisions also will place increased emphasis on directing nonfood assistance funds to needy "no program" schools that lack equipment and facilities, by requiring State agencies to reserve 50 percent of these funds for such schools.

The portion of the regulations dealing with alternate methods of making eligibility determinations of needy children for free or reduced price lunches would be amended to clarify that special cash assistance reimbursement cannot be authorized for all lunches served in a participating school unless a reasonable basis exists for a finding that all the children in the school are needy.

The proposed changes appeared in the Federal Register on Friday, August 13, 1971. Comments, suggestions, or objections are invited and may be delivered within 15 days of that date or submitted by mail postmarked not later than August 28 to Herbert D. Rorex, Director, Child Nutrition Division, Food and Nutrition Service, USDA, Washington, D.C. 20250. Comments received will be open to public inspection. ☐

SCHOOL LUNCH MATCHING REGULATIONS REVISED

On July 30, USDA announced a revision of its regulations which govern the amounts of "matching funds" that States must put into the National School Lunch Program.

The revision implements a provision of Public Law 91-248, which amended the National School Lunch Act.

This amendment provides that State funds must make up a prescribed portion of the required matching. Federal cash support provided under Section 4 of the National School Lunch Act had to be matched on a 3 to 1 basis by funds from sources within the State. (That is 3 dollars from within the State for every Federal dollar).

In some States this matching requirement was formerly met entirely by local funds and the amounts children pay for their lunches. But starting this month, 4 percent of the matching required must come from funds appropriated or otherwise made available by the State. ☐